



PREVENTIVE LAW SERIES
PAY DAY LOANS
INFO & OPTIONS



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STOP!! DO NOT GET A PAYDAY LOAN UNTIL YOU READ THIS!!

WHAT IS PREDATORY LENDING?

Predatory lenders are businesses that offer short-term, high interest loans, such as payday loans.

WHY SHOULD I BE CONCERNED?

Payday lending fails to help solve financial problems; 99 percent of payday loans go to repeat borrowers, trapping them in debt.

WHAT CAN I DO INSTEAD OF GETTING A PAYDAY LOAN?

Before you get a payday loan, you should consider the alternatives below if you need cash, or need to pay off a predatory loan:

1. Talk to your **Command Financial Specialist**.
2. Visit **Fleet and Family Support Centers** for private advice. Naval Base Coronado (619) 545-6071; Naval Base San Diego (619) 556-7404.
3. Talk to your **on-base bank and/or credit unions**. They have been tasked to try to help you!
4. **Navy and Marine Corps Relief Society**, Naval Base San Diego (619) 238-1587; Naval Base Coronado (619) 435-8786. NMCRS in San Diego has a brand new Emergency "QUICK ASSIST LOAN" program designed to get you a loan up to \$500.00 in under 15 minutes. Members must not have a pending discharge, bankruptcy or military disciplinary action either pending or within the last six months. For loan application and information on eligibility see <http://www.nmcrs.org/quickassist.html>.
5. Military One Source has advice and referrals 24/7. See www.militaryonesource.com or call 1-800-342-9647.
6. Armed Forces Emergency Service Center 1-877-272-7337
7. American Red Cross Armed Forces Emergency Service Center provides 24/7 emergency financial advice and referral. 1-877-272-7337, www.redcross.org
8. Joint Task Force on Financial Health (Southwest) (619) 556-9353.

HOW DOES FEDERAL LAW PROTECT ME?

A new federal law effective October 1, 2007, protects active duty servicemembers and their families. The new law limits the annual percentage rate (APR) to 36 percent on payday loans, vehicle title loans, and tax refund loans, and prohibits a creditor from “rolling-over” or refinancing the same loan between the same creditor and borrower.

WHO IS COVERED UNDER THE NEW LAW?

Active duty members of the Army, Navy, Marine Corps, Air Force, or Coast Guard, as well as reserve members serving on active duty under a call or order that does not specify a period of 30 days or less, or a member serving on Active Guard duty as that term is defined in 10 USC 101(d)(6); an eligible member's spouse or child as defined in 38 USC 101(4); or an individual for whom a member has provided more than one-half of the individual's support for 180 days preceding the extension of credit.

IF I WAS PREVIOUSLY ON ACTIVE DUTY, BUT AM NO LONGER, AM I PROTECTED BY THE NEW FEDERAL LAW?

No.

IF I AM MARRIED TO AN ACTIVE DUTY MEMBER, BUT I HAVE MY OWN INCOME, AM I PROTECTED BY THE NEW FEDERAL LAW?

Yes.

AM I PROTECTED BY THE NEW LAW FOR MONEY ORDERS, WESTERN UNION WIRE TRANSFERS, OR CASHING CHECKS AT A PAYDAY LOAN STORE?

No. The new law does not apply to these kinds of transactions, even at a payday loan store.

DOES CALIFORNIA LAW PROTECT ME?

Probably soon. The California legislature passed California Assembly Bill 7 on September 26, 2007 regulating consumer loans, and this bill is currently awaiting the Governor's signature. If this bill is signed into law, it will be enforced by the California Department of Corporations through their Troops Against Predatory Scams (TAPS) program. For more information see www.corp.ca.gov or 1-866-275-2677.

SHOULD I SEE A LEGAL ASSISTANCE ATTORNEY BEFORE I TAKE OUT A PAYDAY LOAN, OR IF I ALREADY HAVE ONE?

Yes. A Legal Assistance Attorney can make sure your loan is legal. Legal assistance attorneys are available on a walk-in basis M-F 0800-1100, and Tues and Thurs 1300-1500. Powers of attorney and notaries are available M-F from 0800-1500. For more information, contact the Legal Assistance Office, Building 56, 32nd Street Naval Base, San Diego CA, (619) 556-2349, or Naval Base Coronado, Bldg 318, 2nd Deck, above Fleet and Family Support Ctr, Saufley Road, (619) 545-6437.